



IOWA AGRICULTURAL
DEVELOPMENT DIVISION

IADD BOARD MEETING MINUTES

Iowa Finance Authority
2015 Grand Avenue, Des Moines, Iowa
August 21, 2015

Board Members Present

Mark Leonard, Chair	John Fredrickson
Lyle Borg, Vice Chair	Annette Townsley
Stacie Euken	

Board Members Absent

None

Staff Members Present

Steve Ferguson, IADD Program Specialist	Tammy Nebola, IADD Program Specialist
Tim Jansen, Accounting Manager	

Others Present

Dave Claypool, Dorsey & Whitney
Tim Neugent, VIA
Mary O'Keefe, VIA

CALL TO ORDER

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Leonard on August 21, 2015 at 9:31 am. A quorum was established with the following Board Members present: Leonard, Borg, Euken, Fredrickson and Townsley.

REVIEW OF MINUTES OF JULY 22, 2015 BOARD MEETING

Mr. Leonard presented the minutes of the July 22, 2015 IADD Board Meeting. Mr. Leonard asked if there were any additions or corrections to the minutes.

MOTION

On a motion by Mr. Fredrickson and a second by Mr. Borg, the Board unanimously approved the minutes of the July 22, 2015 IADD Board meeting.

REVIEW OF JULY 2015 FINANCIAL STATEMENT

Tim Jansen presented the July 2015 financials. He stated that for FY16 year-to-date, IADD had operating income of \$40,486 operating expense of \$38,629 and net operating income of \$1,856.

Jansen updated the Board that the state pool fund earned 0.81% for July so no investments have been made yet. Mr. Leonard stated that he spoke to Trey Else at Community Bank in Holstein who quoted him an 18 month CD at 2.00%. Staff will follow up with Community Bank.

MOTION

On a motion by Ms. Euken and a second by Mr. Fredrickson, the Board unanimously approved the July 2015 financial statement as presented.

LOAN PARTICIPATION PROGRAM

Tammy Nebola presented information on the following loan participation applications.

P0202 - Gregg R. and Meg A. Nagel. The LPP application is for \$90,000. The borrower will construct a 1,200 Hd Hog Finishing Building. Total project cost is \$350,000. The borrower has also applied for a Beginning Farmer Loan AG 15-046. The bank is Libertyville Savings Bank in Keota.

P0203 - Christopher J. Timmerman. The LPP application is for \$105,000. The borrower will construct an undivided 1/2 interest in a 2,400 Hd Hog Building. Total project cost is \$350,000. The borrower has also applied for a Beginning Farmer Loan AG 15-051. The bank is De Witt Bank & Trust Company in Wilton.

P0204 - Brian J. and Heather Paulsen. The LPP application is for \$150,000. The borrower will purchase 5.46 acres and construct a 2,400 Hd Hog Finishing Building. Total project cost is \$750,000. The bank is First National Bank in Primghar.

MOTION

On a motion by Ms. Townsley and a second by Mr. Borg, the Board unanimously approved the loan participation applications with the following subject to conditions: P0202 for Gregg R. and Meg A. Nagel subject to receiving a blanket security agreement with filed UCC and an assignment of feeding contract, P0203 for Christopher J. Timmerman subject to receiving a personal guaranty from his father and an assignment of feeding contract and P0204 for Brian J. and Heather Paulsen subject to receiving an assignment of feeding contract.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

Tammy Nebola presented the following resolutions to adjust the terms and conditions on closed BFLP projects:

Resolution 03280M – Conrad S. Shada – Ohnward Bank and Trust in Monticello is the lender. The amendment will change the Bondholder from The Exchange State Bank, Springville, IA f/k/a Farmers Savings Bank to Ohnward Bank and Trust, Monticello, IA. The interest rate will remain the same at 1.25% until maturity of March 1, 2020. All other loan terms will remain the same.

Resolution 04666M – Jacob F. Schulte – Pilot Grove Savings Bank in Pilot Grove is the lender. The amendment will allow eligible beginning farmer Jacob F. Schulte to assume beginning

farmer responsibilities from Anthony H. Schulte on project to purchase 70.42 acres of agricultural land, house and out-buildings. All other loan terms will remain the same.

MOTION

On a motion by Ms. Townsley and a second by Ms. Euken, the Board unanimously approved the Beginning Farmer Loan Program Amending Resolutions subject to the approval of Jacob F. Schulte as an eligible beginning farmer.

BEGINNING FARMER LOAN APPLICATION

Tammy Nebola introduced the following project for the applicant to be approved as an eligible beginning farmer for purposes of assuming an existing Beginning Farmer Loan Project:

04666 – Jacob F. Schulte – Jacob F. Schulte to assume beginning farmer responsibilities from Anthony H. Schulte on project to purchase 70.42 acres of agricultural land, house and out-buildings.

MOTION

On a motion by Mr. Fredrickson and a second by Mr. Borg, the Board unanimously approved Jacob Schulte's continuing eligibility as a beginning farmer to assume project 04666.

BEGINNING FARMER LOAN APPLICATIONS

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 15-044 – Kimberlee A. and Barant J. Hasek – Beginning farmer loan of \$324,000 to purchase approximately 80 acres of agricultural land in Lee County. The loan will have a 3.90% variable interest rate and a loan length of 30 years. The index will be 75% of Pilot Grove Savings Bank lending rate, fixed for ten years. The lender is Pilot Grove Savings Bank in Donnellson, Iowa.

AG 15-045 – Russel S. Schroeder – Beginning farmer loan of \$250,000 to construct a 1,200 Hd Hog Finishing Barn in Sioux County. The loan will have a 3.50% fixed interest rate and a loan length of 10 years. The lender is Iowa State Bank in Remsen, Iowa.

AG 15-046 – Gregg R. and Meg A. Nagel – Beginning farmer loan of \$250,000 to construct a 1,200 Hd Hog Finishing Building in Washington County. The loan will have a 3.80% fixed interest rate and a loan length of 12 years. The lender is Libertyville Savings Bank in Keota, Iowa.

AG 15-047 – Cody J. Sobaski – Beginning farmer loan of \$236,000 to purchase approximately 2.5 acres and a 1,200 Hd Hog Finishing Building in Washington County. The loan will have a 3.80% fixed interest rate and a loan length of 12 years. The lender is Libertyville Savings Bank in Keota, Iowa.

AG 15-048 – Brandon R. Bonar – Beginning farmer loan of \$327,392 to purchase approximately 101.76 acres of agricultural land in Lee County. The loan will have a 3.75% variable interest

rate and a loan length of 30 years. The index will be 100% of the tax-free equivalent rate of Farmers Savings Bank's Ag Real Estate Loan Rate; fixed for 10 years. The lender is Farmers Savings Bank in Wever, Iowa.

AG 15-049 – Kendall R. Shaw – Beginning farmer loan of \$239,000 to purchase approximately 60 acres of agricultural land in Boone County. The loan will have a 3.75% variable interest rate and a loan length of 30 years. The index will be 85% of 2.50% over the 5 year U.S. Treasury rate; rate floor 3.50%; fixed for 10 years. The lender is U.S. Bank, N.A. in Boone, Iowa.

AG 15-050 – Collin C. Burk – Beginning farmer loan of \$319,500 to purchase approximately 90 acres of agricultural land in Lee County. The loan will have a 3.75% variable interest rate and a loan length of 30 years. The index will be 100% of the tax-free equivalent rate of Farmers Savings Bank's Ag Real Estate Loan Rate; fixed for 10 years. The lender is Farmers Savings Bank in Wever, Iowa.

AG 15-051 – Christopher J. Timmerman – Beginning farmer loan of \$245,000 to construct an undivided 1/2 interest in a 2,400 Hd Hog Building in Cedar County. The loan will have a 3.25% fixed interest rate and a loan length of 12 years. The lender is De Witt Bank & Trust Company in Wilton, Iowa.

AG 15-052 – Tyler Sheets – Beginning farmer loan of \$517,700 to purchase approximately 245 acres of agricultural land, house and out-buildings in Keokuk County. The loan will have a 3.50% variable interest rate and a loan length of 25 years. The index will be 100% of the 1 year treasury plus 3.00%; fixed for 5 years. The lender is Hills Bank & Trust Company in Kalona, Iowa.

AG 15-053 – Andrew R. and Amber J. Kuntz – Beginning farmer loan of \$151,347 to purchase approximately 42.26 acres of agricultural land in Lee County. The loan will have a 3.75% variable interest rate and a loan length of 30 years. The index will be 100% of the tax-free equivalent rate of Farmers Savings Bank's Ag Real Estate Loan Rate; fixed for 10 years. The lender is Farmers Savings Bank in Wever, Iowa.

AG 15-054 – William D. and Kathy J. Harvey Kuntz – Beginning farmer loan of \$151,347 to purchase approximately 42.26 acres of agricultural land in Lee County. The loan will have a 3.75% variable interest rate and a loan length of 30 years. The index will be 100% of the tax-free equivalent rate of Farmers Savings Bank's Ag Real Estate Loan Rate; fixed for 10 years. The lender is Farmers Savings Bank in Wever, Iowa.

AG 15-055 – Mikala A. Denney – Beginning farmer loan of \$175,000 to purchase approximately 76 acres of agricultural land in Des Moines County. The loan will have a 4.00% variable interest rate and a loan length of 30 years. The index will be 100% of the tax-free equivalent rate of Farmers Savings Bank's Ag Real Estate Loan Rate; fixed for 5 years. The lender is Farmers Savings Bank in Wever, Iowa.

MOTION

On a motion by Mr. Fredrickson and a second by Mr. Borg, the Board recommended approval of the BFLP applications.

PUBLIC HEARING ON BEGINNING FARMER LOANS

A public hearing was held by the IADD Board at the Iowa Finance Authority office on August 21, 2015 at 10:11 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 10:12 am.

MOTION

On a motion by Ms. Townsley and a second by Ms. Euken, the Board unanimously recommended approval of the BFLP Bond documents.

BEGINNING FARMER TAX CREDIT APPLICATIONS

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit applications. There were 22 new BFTC applications for an estimated tax credit amount of \$105,726. He noted that of those, 12 are cash rent 9 are crop share and 1 is a hybrid lease.

Ms. Townsley asked the Board if they were viewing and still wanted the 156 forms included in the Board packet. The Board decided that unless there was a special circumstance that they no longer need the 156 forms.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board unanimously recommended approval of the Beginning Farmer Tax Credit applications as presented.

BEGINNING FARMER TAX CREDIT CHANGES

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit requested changes. There was 1 request to reduce the cash rent.

MOTION

On a motion by Ms. Euken and a second by Mr. Borg, the Board unanimously recommended approval of the Beginning Farmer Tax Credit change request.

MARKETING UPDATE

Included in the Board packet is the IADD marketing calendar. Steve Ferguson reviewed some of the recent events he's attended. He also discussed some upcoming events.

OTHER BUSINESS

DISCUSSION REGARDING CONSIDERATION TO PARTIALLY FUND VETERANS IN AGRICULTURE (VIA)

Steve Ferguson presented materials to potentially provide partial funding of Consultants' fees for Veterans in Agriculture strategic and operational plan. The cost is \$12,000. The funding VIA is

asking IADD to consider is a portion of the cost, not the full \$12,000. Steve received an email earlier today that Greater Des Moines Foundation came through for \$4,000 and several funding requests have been sent out to other various groups. Steve Ferguson believes that a partnership between VIA and IADD will open up a new group to market IADD's programs to.

Tim Neugent and Mary O'Keefe presented materials with statistics on Iowa's population, jobs and veterans. Most employers find it difficult to translate veteran's skills to civilian jobs. Home Base Iowa is a public-private partnership to attract and retain servicemen and women, veterans and military spouses to Iowa to grow the population of our state and fill skill gaps today and in the next five years. Veterans in Agriculture (VIA) have the same goals but focus on presenting opportunities for the veterans in Iowa's vast agricultural industry. Tim and Mary will put together a strategic and operational plan to partner with Home Base Iowa and other veteran and agricultural groups to collaborate and work towards a common goal to assist veterans.

Mr. Borg asked what the staff suggested as a funding amount and if it would be an ongoing operational request or just a seed money request. Steve Ferguson stated that it was just a request for seed money and he was thinking \$1,000. The Board was asked to consider the request and a decision can be made at the September IADD Board Meeting.

DISCUSSION REGARDING REDESIGN OF THE IADD BROCHURE

Steve brought up the possibly of redesigning the IADD Brochure to be more user friendly and asked the Board if they had any suggestions. Ms. Townsley suggested moving the contact information to the front. There was some discussion on the Beginning Farmer Loan Program fee and the possibility of increasing it.

NEXT IADD BOARD MEETING

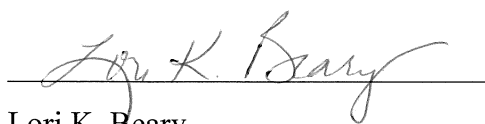
The next IADD Board Meeting was scheduled for Friday, September 25, 2015. Due to some schedule conflicts the Board decided to reschedule the September IADD Board meeting to Tuesday, September 29, 2015 at 8:30 am, via conference call.

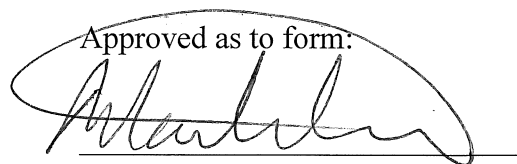
ADJOURNMENT

On a motion by Ms. Euken and a second by Mr. Borg, the August 21, 2015 meeting of the IADD Board of Directors adjourned at 11:11 am.

Dated this 21st day of August, 2015.

Respectfully submitted:


Lori K. Beary
Director's Designee/Board Secretary

Approved as to form:

Mark W. Leonard, Chair
IADD Board